

Regional Demographic Trends:

Implications for Housing and New Urban Forms

Presented by

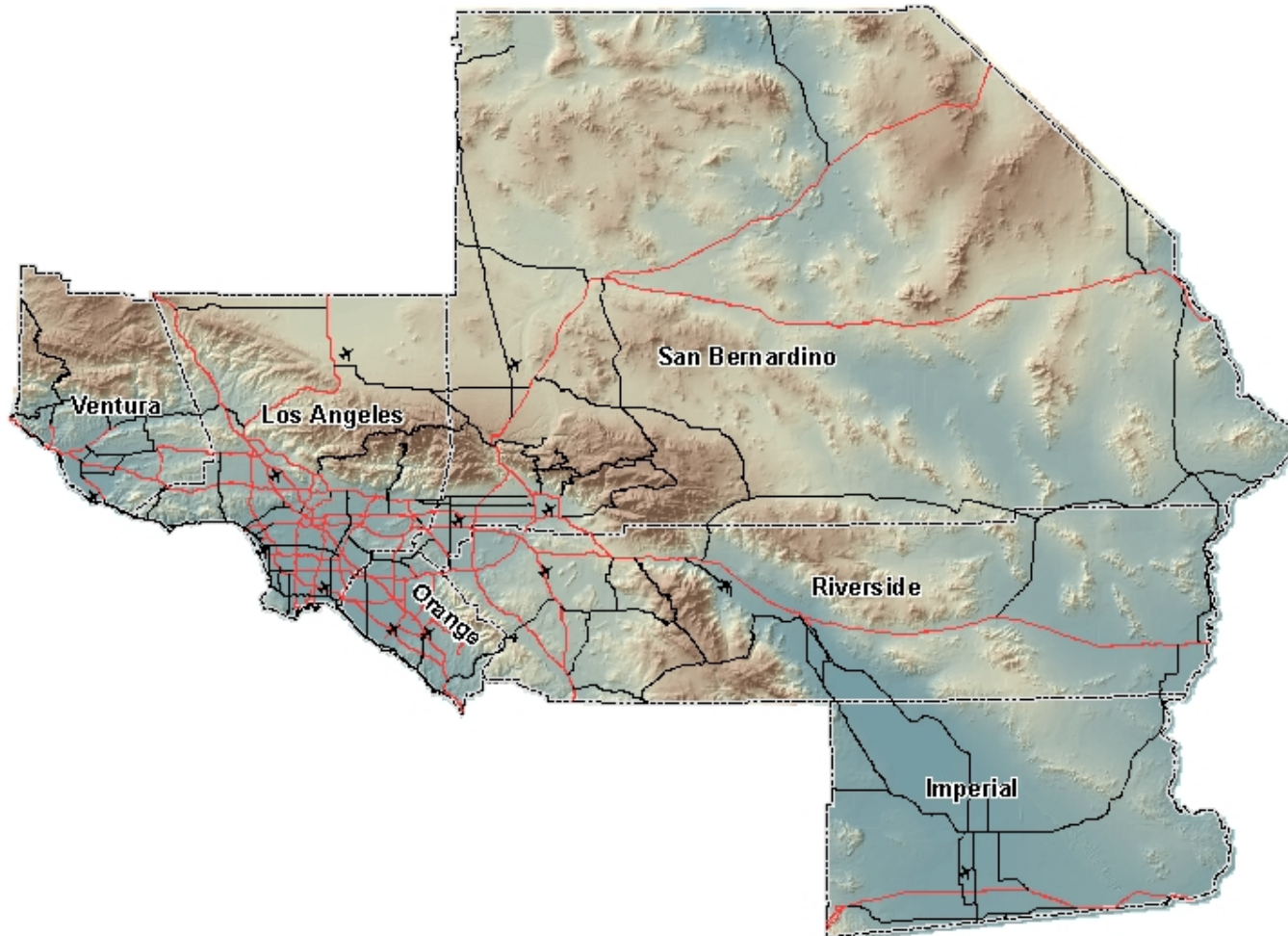
Joseph Carreras

October 7, 2002



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The SCAG Region



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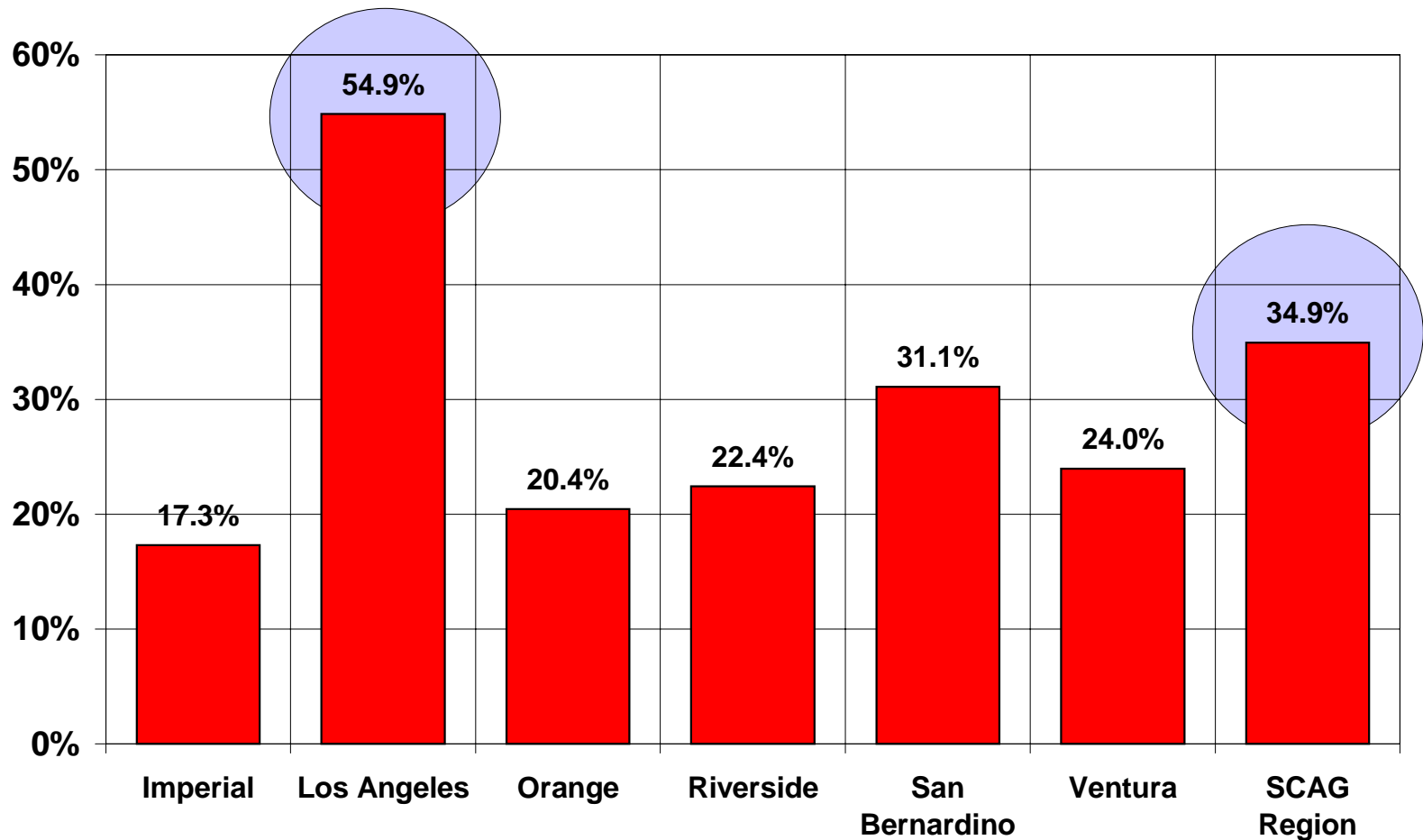
Southern California Growth 1990-2000

- Added **1/2** million jobs
- Gained **1.9** million in population
- Built about **400** thousand housing units

Source: U.S. Census



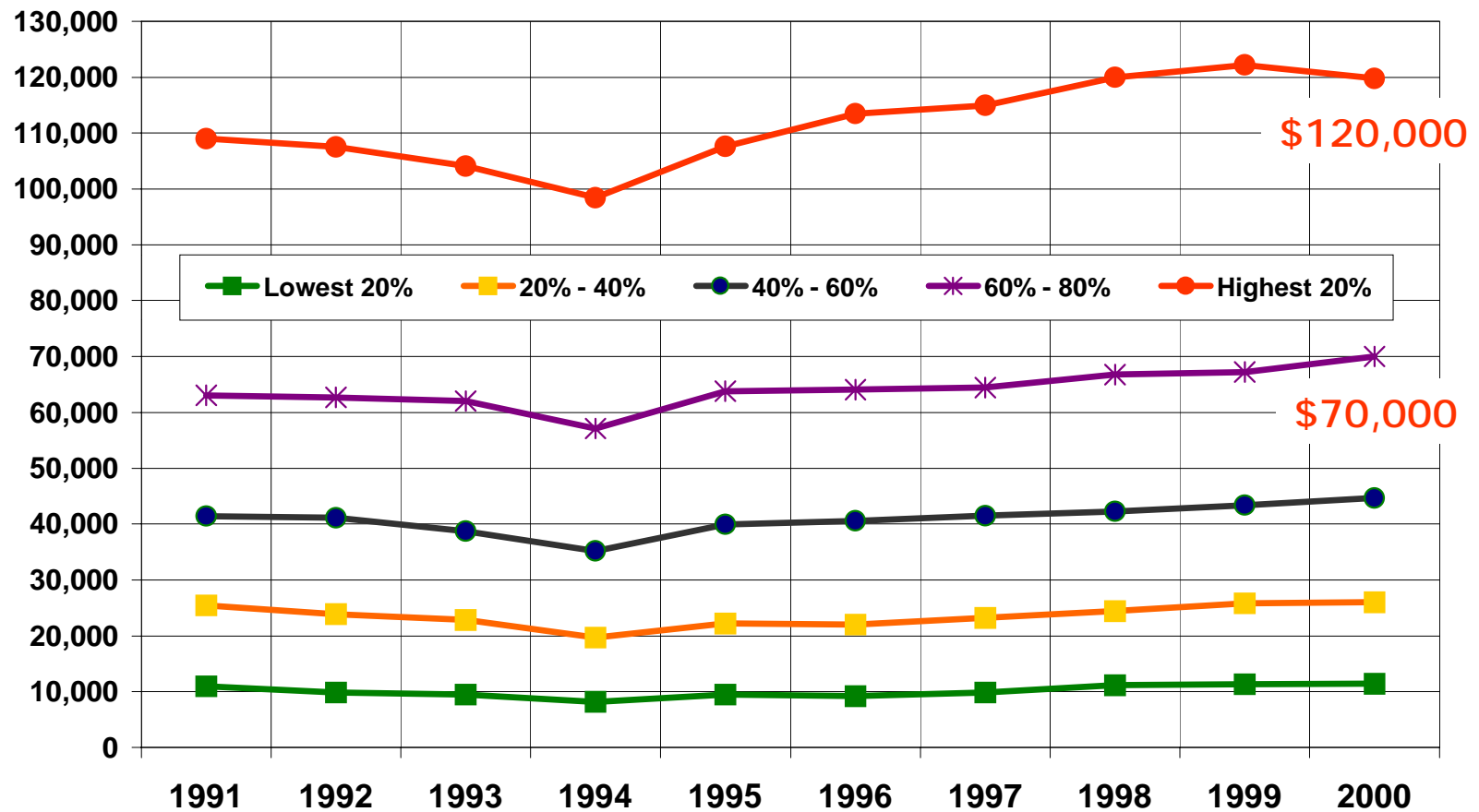
About 1/3 of the Population Added to the SCAG Region had an Income Below the Poverty Level.



Source: Census 1990 & 2000



New Housing Served the Demand Preferences of the Highest Income Group

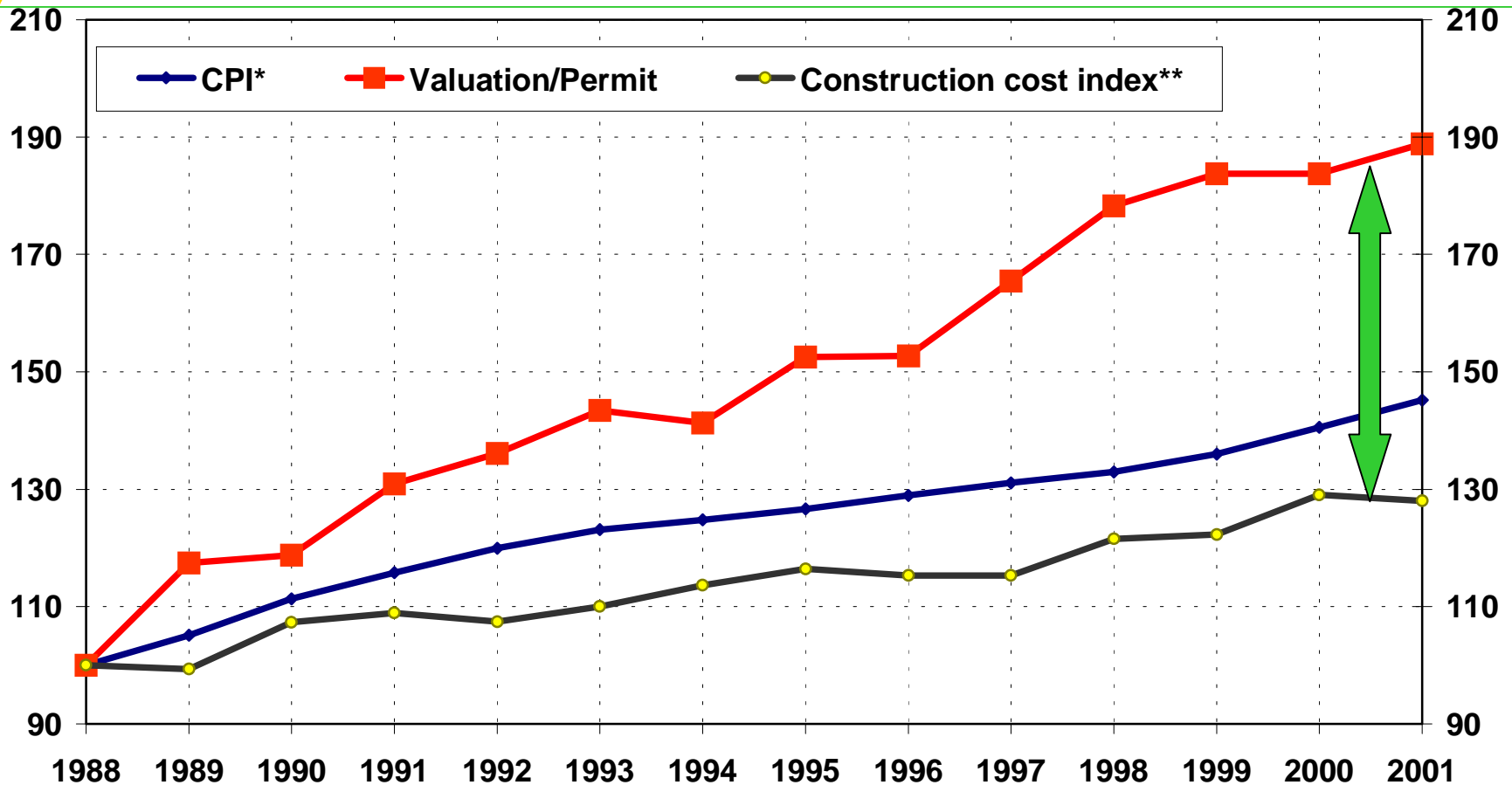


Source: SCAG estimation based on
Current Population Survey data.



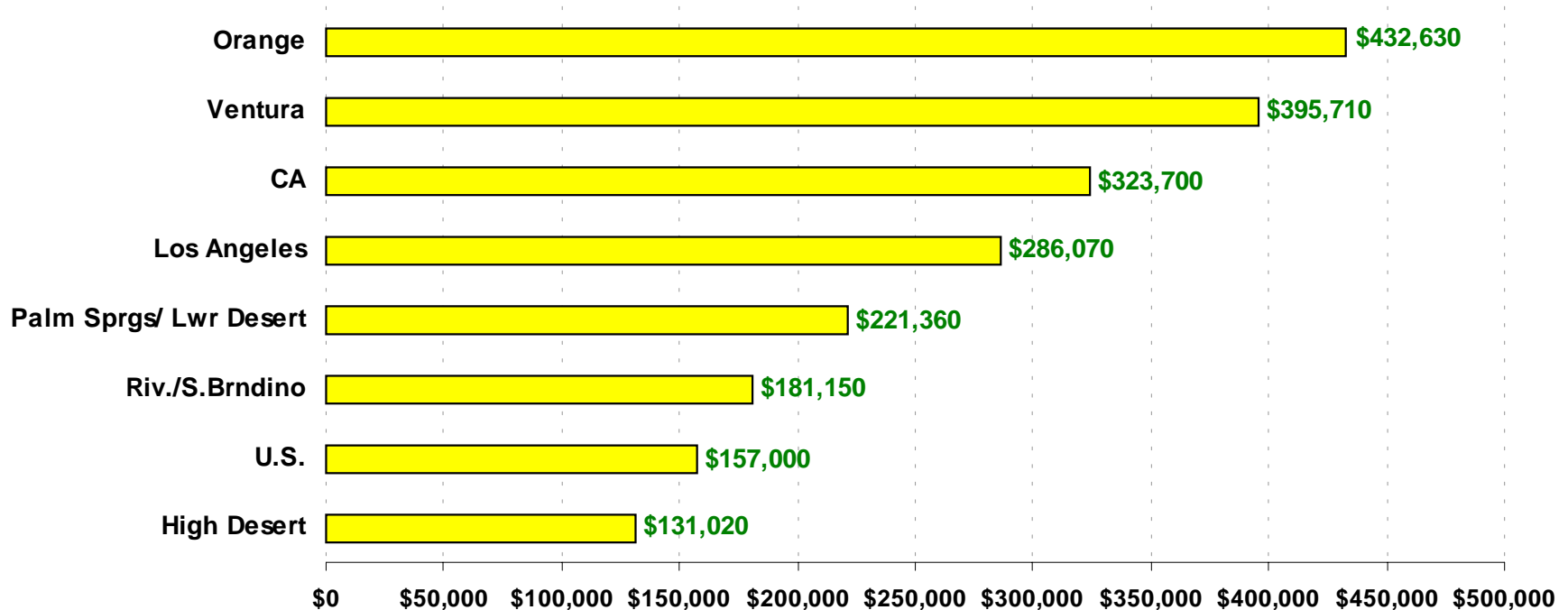
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Home Values have Increased Much Faster than Building Cost



Note: CPI-U from BLS for LA-Anaheim-Riverside CMSA, Construction cost index** from Real Estate Council of Southern California for single family residence for an average quality 3Br/2Ba, one story, wood frame, 2 car attached garage

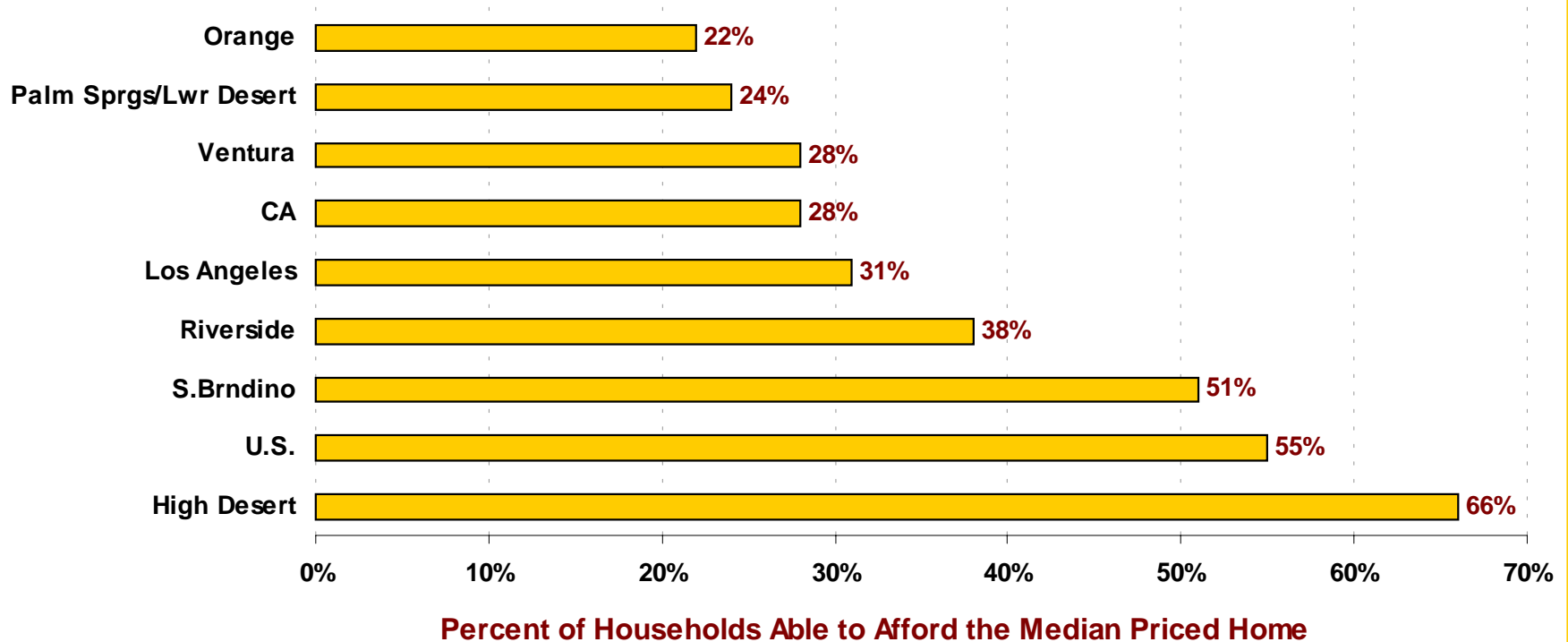
Home Prices Are Most Expensive in Job Rich, Coastal Areas Where Land Costs are Highest



Source: California Assn. Of Realtors, July, 2002



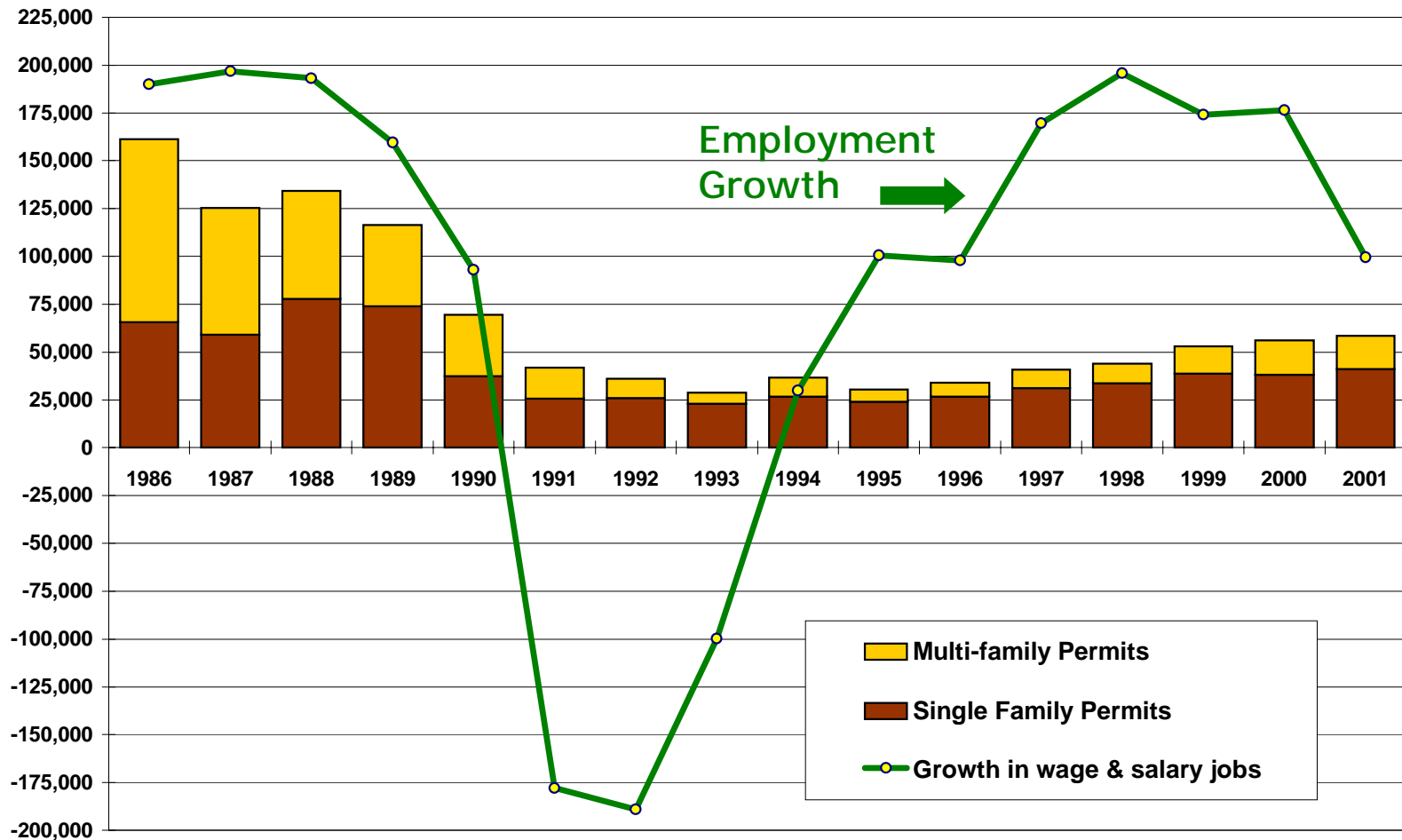
Home Affordability Supports Development in Inland Valleys and Desert Areas



Source: California Assn. Of Realtors, July, 2002



Housing Production Grows Modestly Despite Economic Ups & Downs

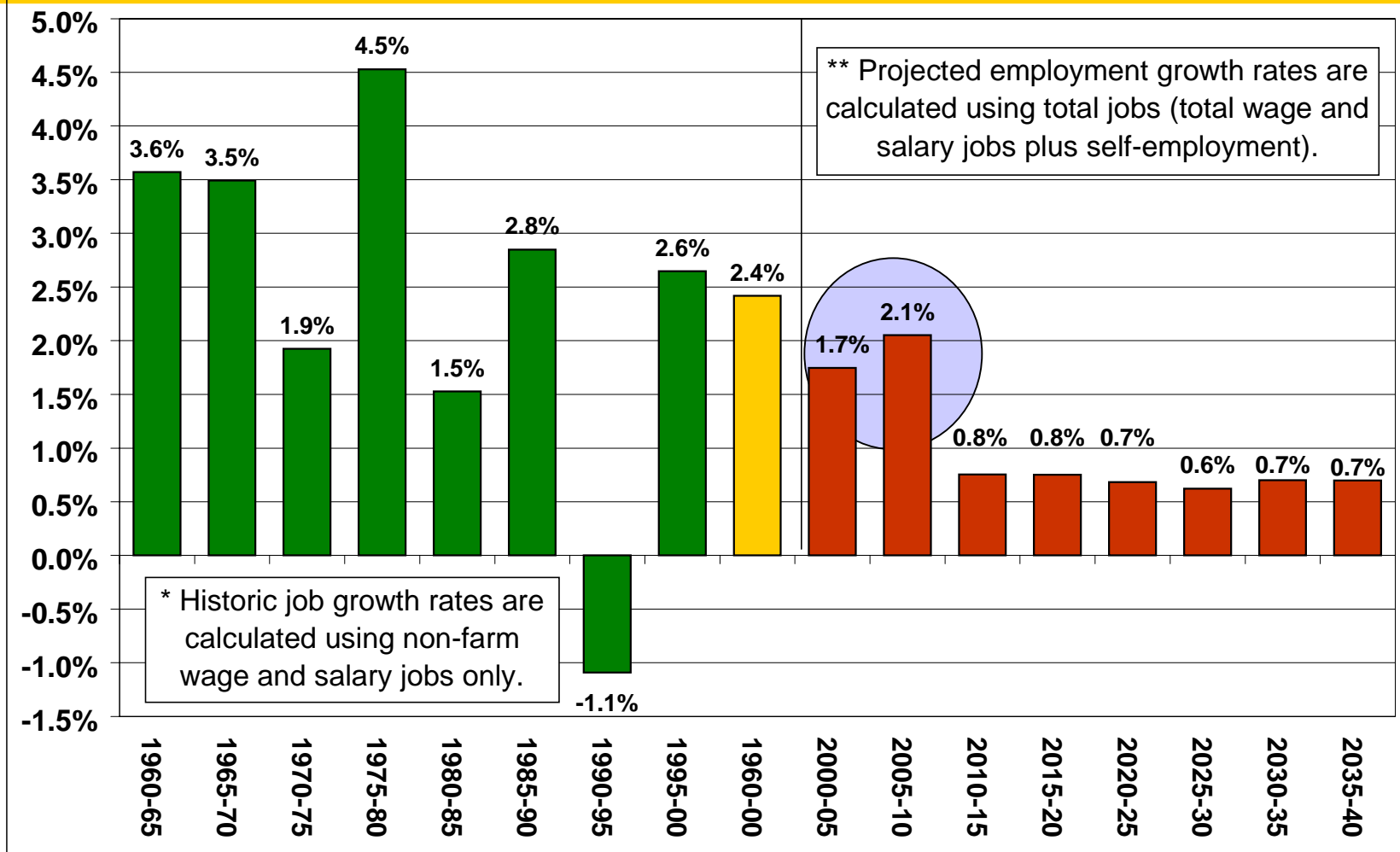


Source: Construction Real Estate Board & EDD



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Employment Growth Will Hover Around 2% Through This Decade - Then Drop to Under 1%



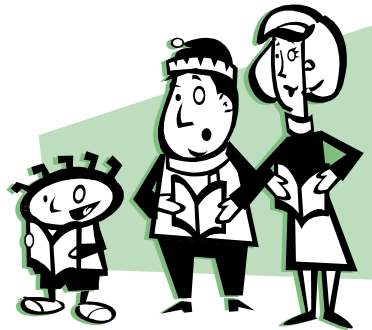
SCAG Historic* and Projected ** Employment Growth



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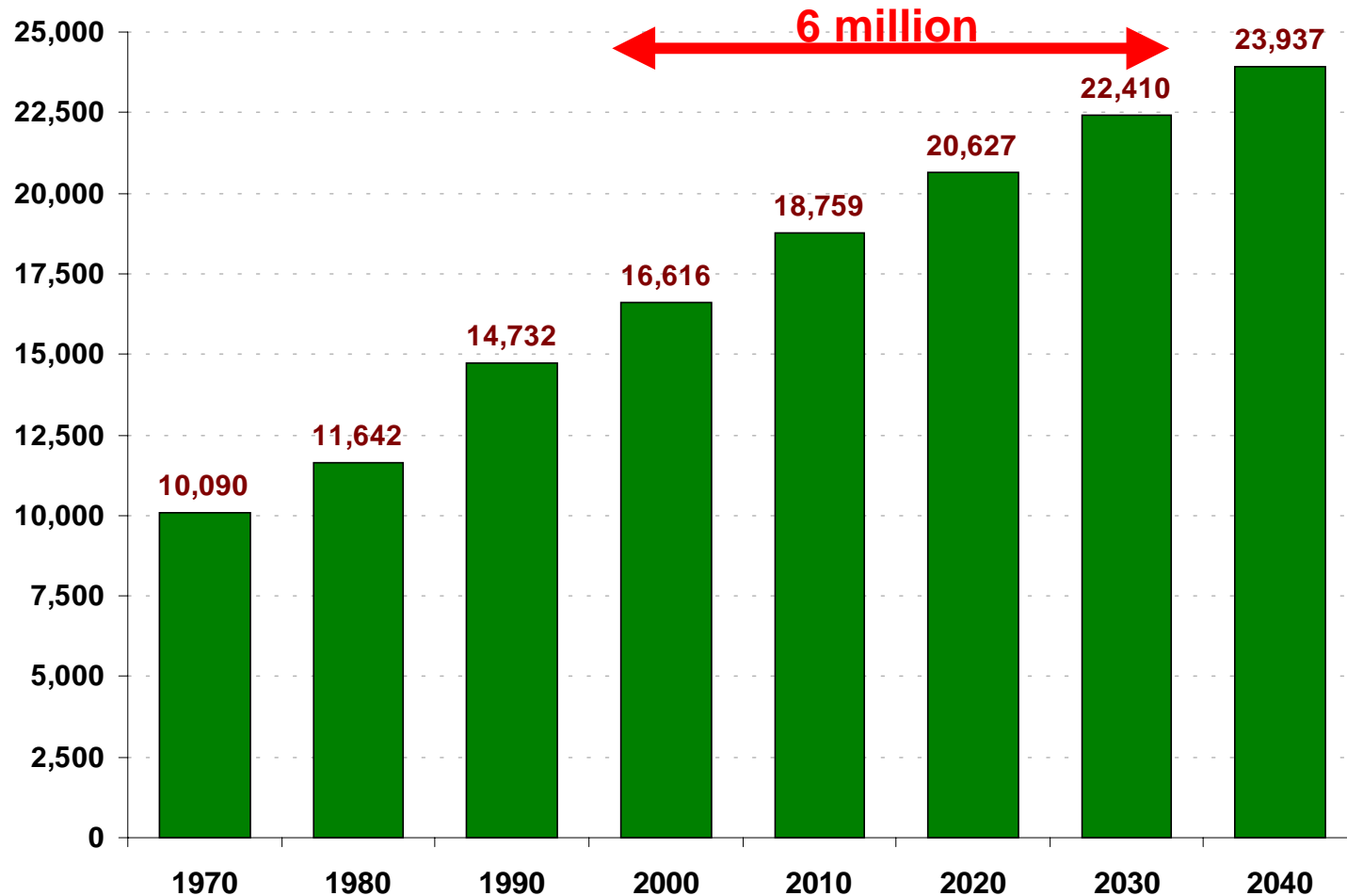
Job Based Housing Demand Formula

1.5 Jobs = 3 People = 1 Unit



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About Six Million People will be Added Between 2000 - 2030



Source: SCAG 2004 RTP Trend Projection



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Demographic Changes Over the Next Decade Will Affect Housing Demand Preferences

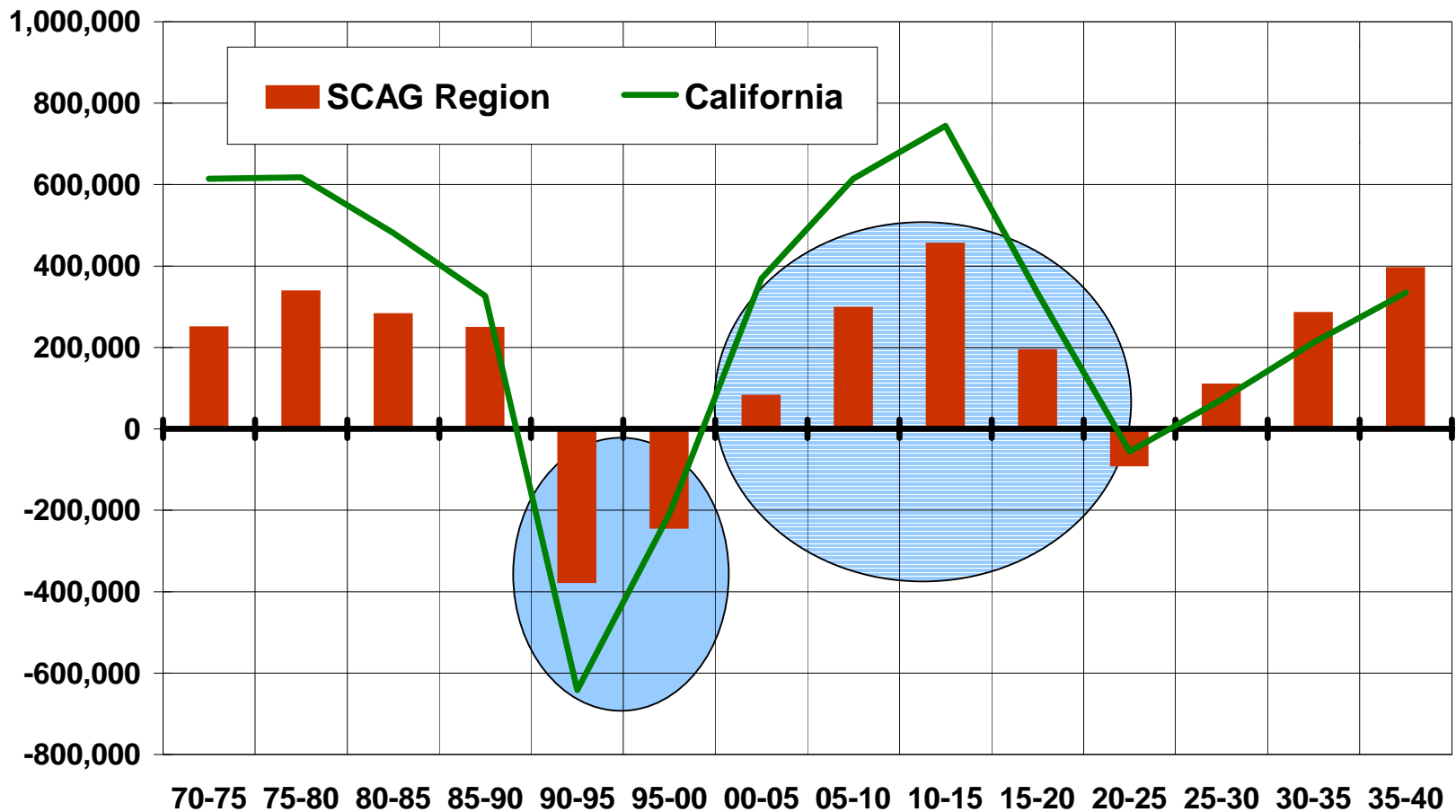
- Rise in younger, apartment seeking age group: **“Echo Boomers”**
- Increase in older, aging **“Baby Boomers”**
- High demand for housing by **Immigrants**



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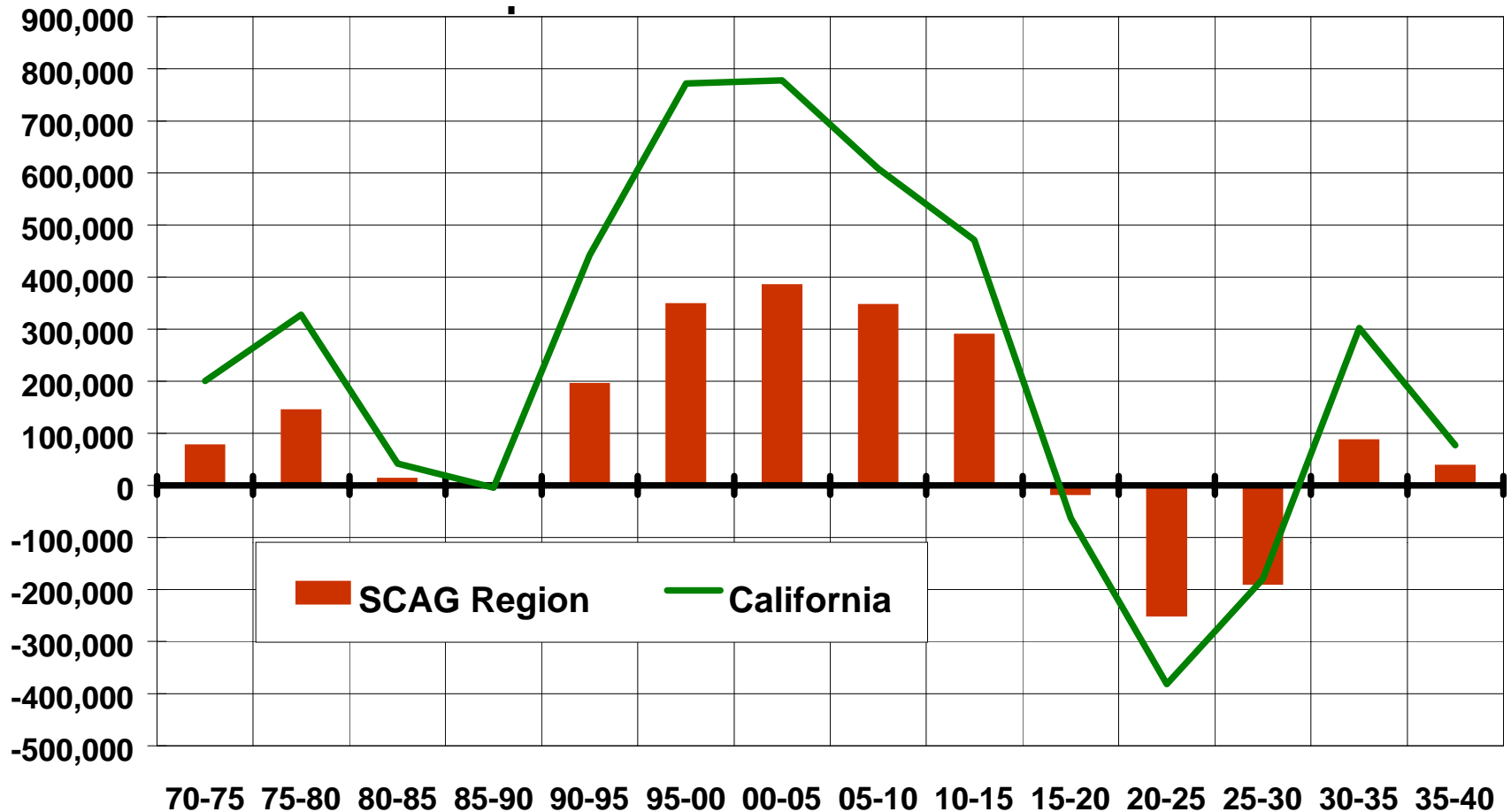
Demand for Apartment Housing Will Start Its Steep Rise Over the Next Ten Years

(Population Changes: Age 20 to 29)



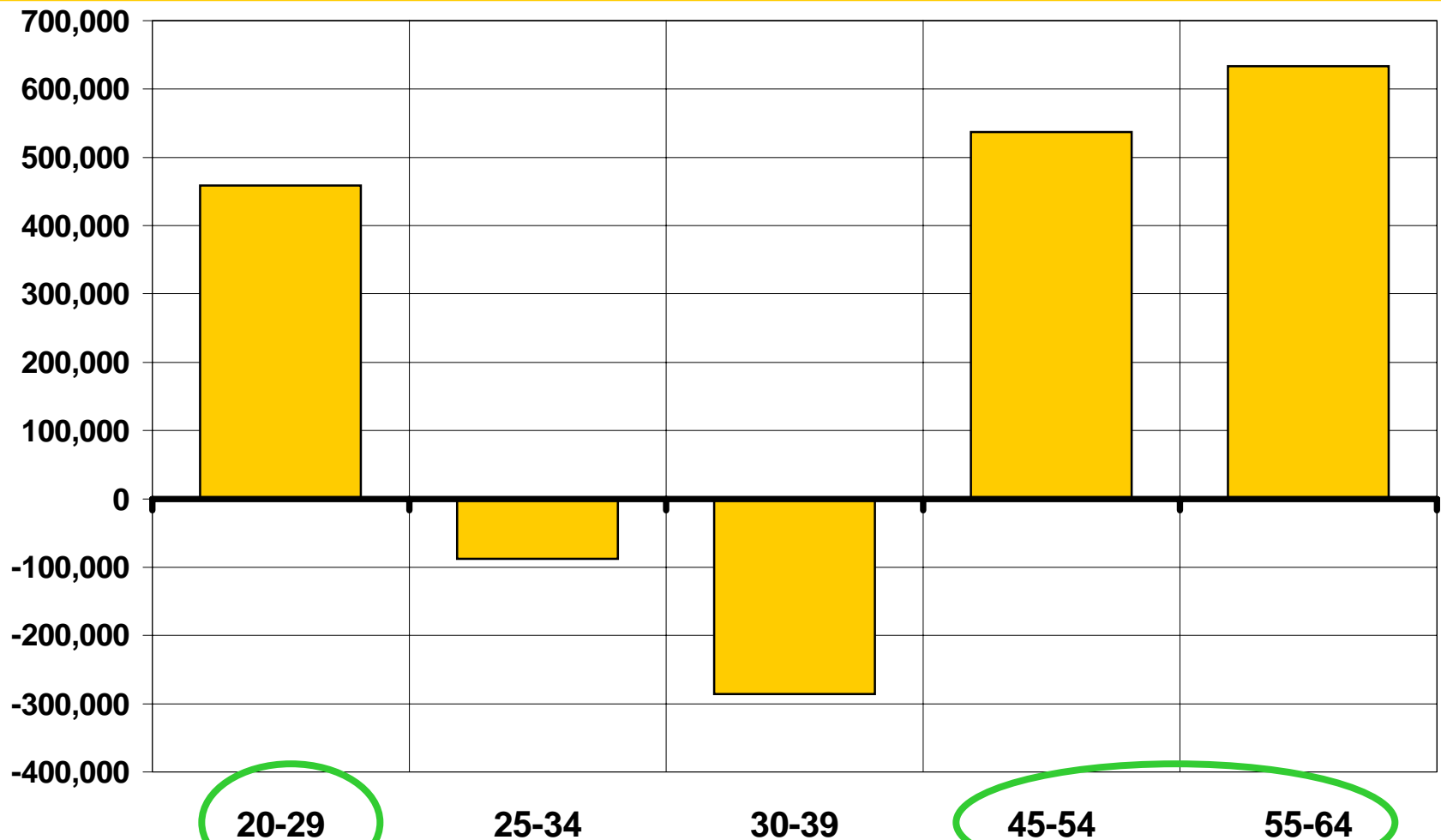
Source: State of California, Department of Finance,
Race/Ethnic Population with Age and Sex Detail, 1970-2040.
Sacramento, CA, December 1998.

Baby Boomers Continue to Impact the Market with Their Housing Demand Preferences



Source: State of California, Department of Finance,
Race/Ethnic Population with Age and Sex Detail,
1970-2040. Sacramento, CA, December 1998.

"Echo Boomers" And "Baby Boomers" Have Different Housing Needs and Voting Strength

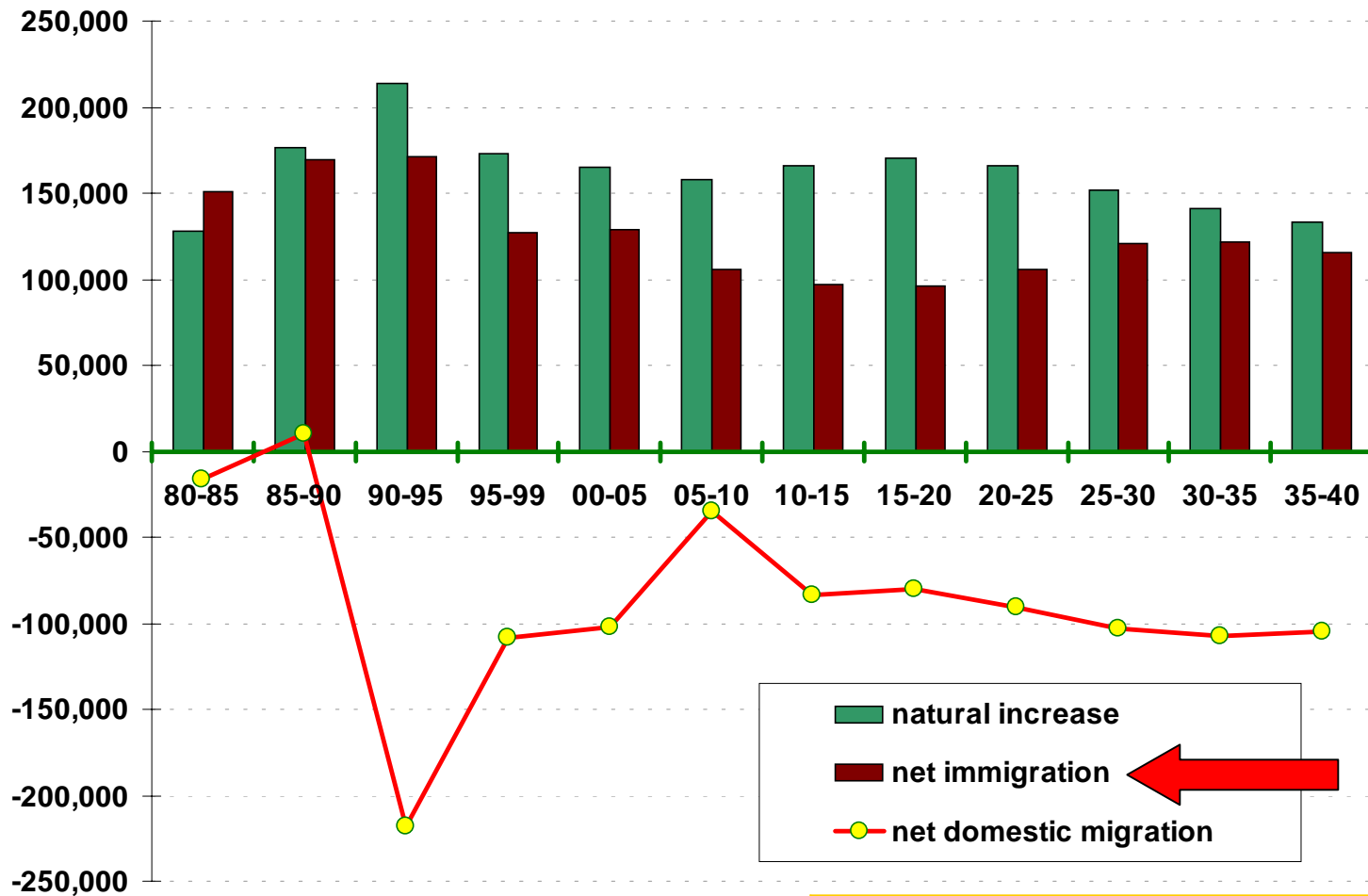


Source: SCAG 2004 RTP Trend Projection.



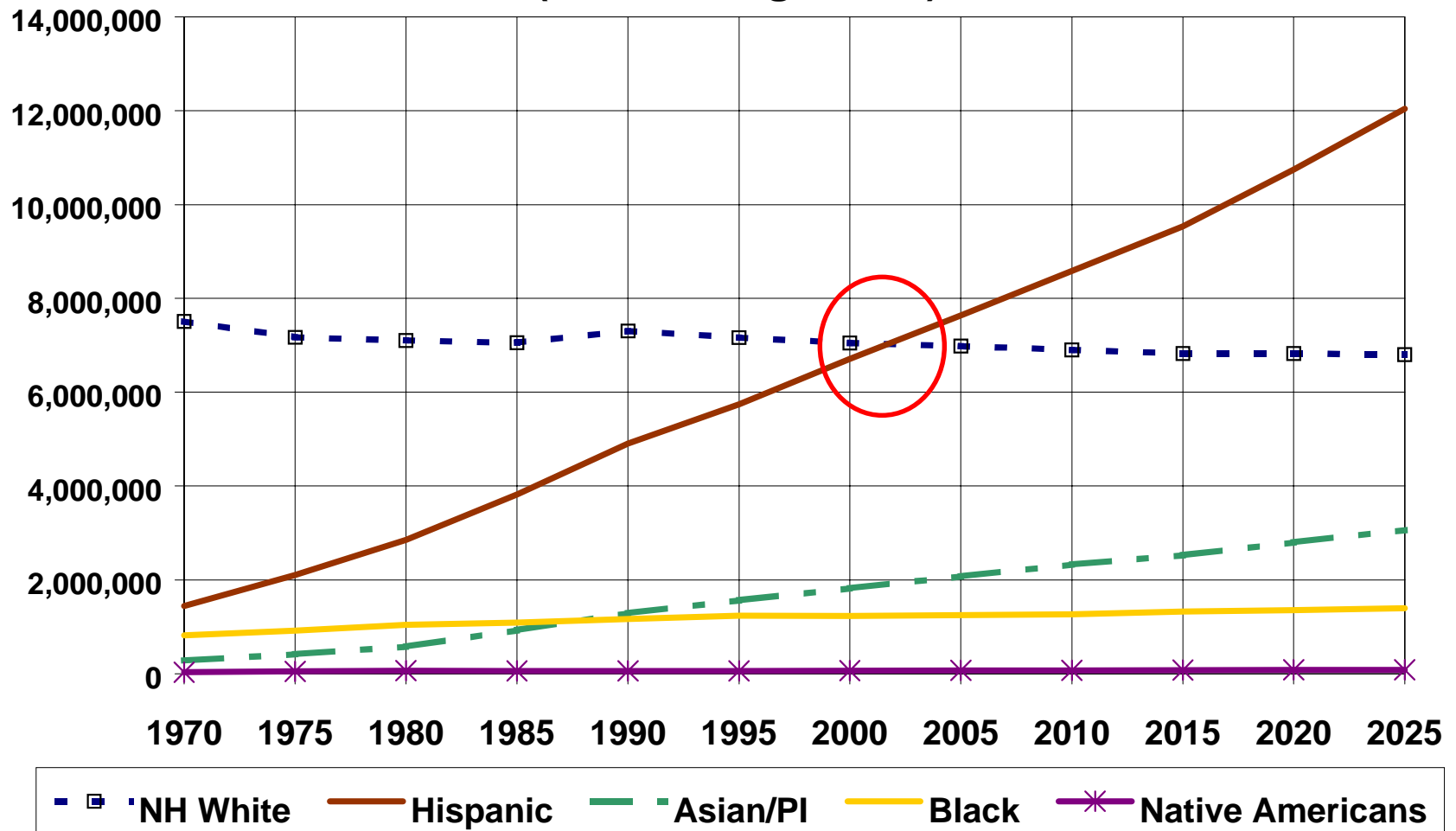
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Immigration is a Major Component of SCAG's Population Growth



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SCAG Region Population Growth By Ethnicity



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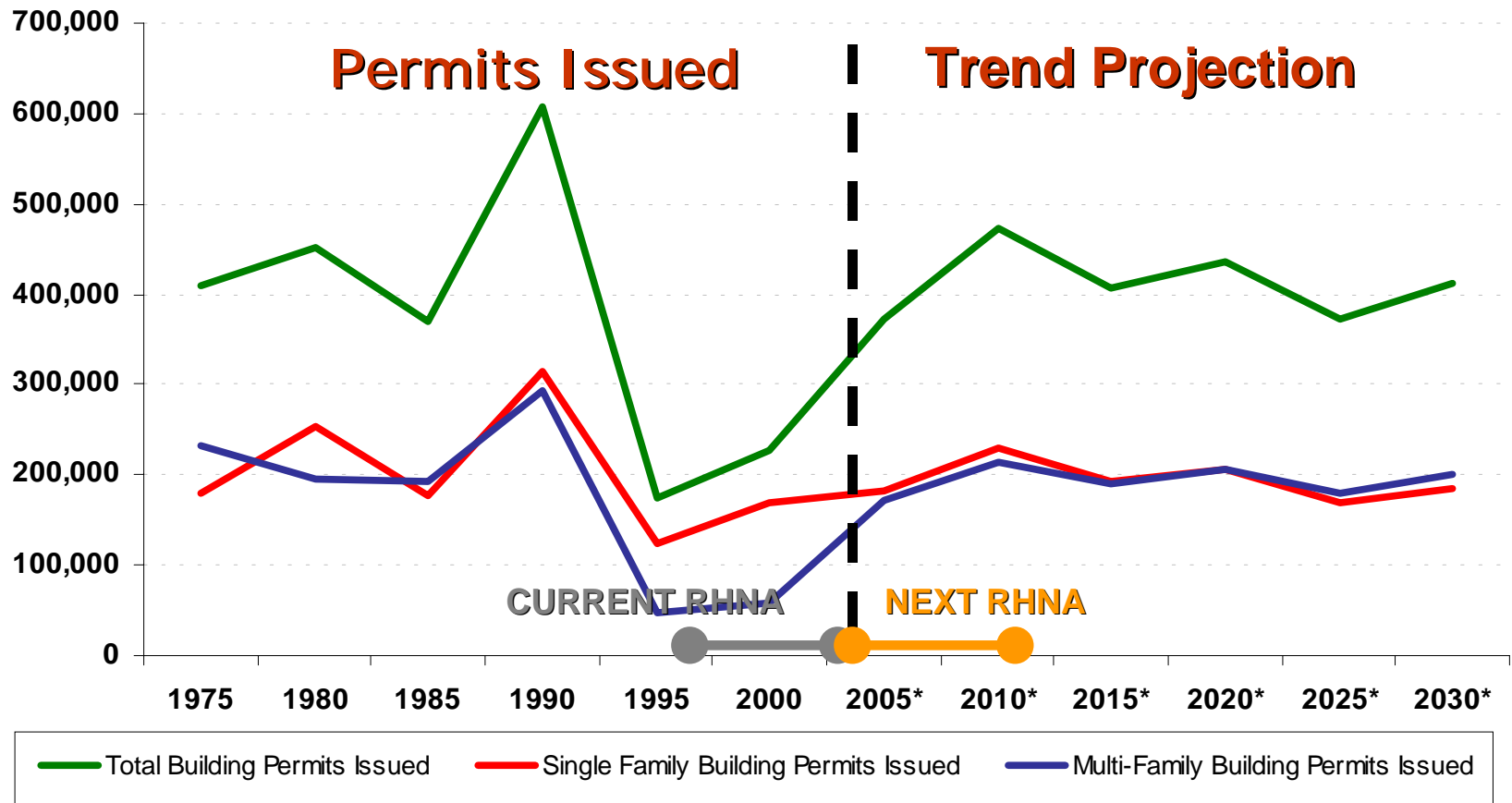
Homeownership can reduce income inequality between ethnic groups

- Achieving home ownership and building equity improves personal wealth and reduces the income gap
- Nearly, **65% of Whites** are home owners, while the rate for other groups are: **Asians 54%**, **Hispanics 43%** and **Blacks 39%**
- Rise for Hispanics over the decade was **10%**, but minorities still lag behind Whites
- The rate for the region is **55%** and this lags the nation's rate of **66%**



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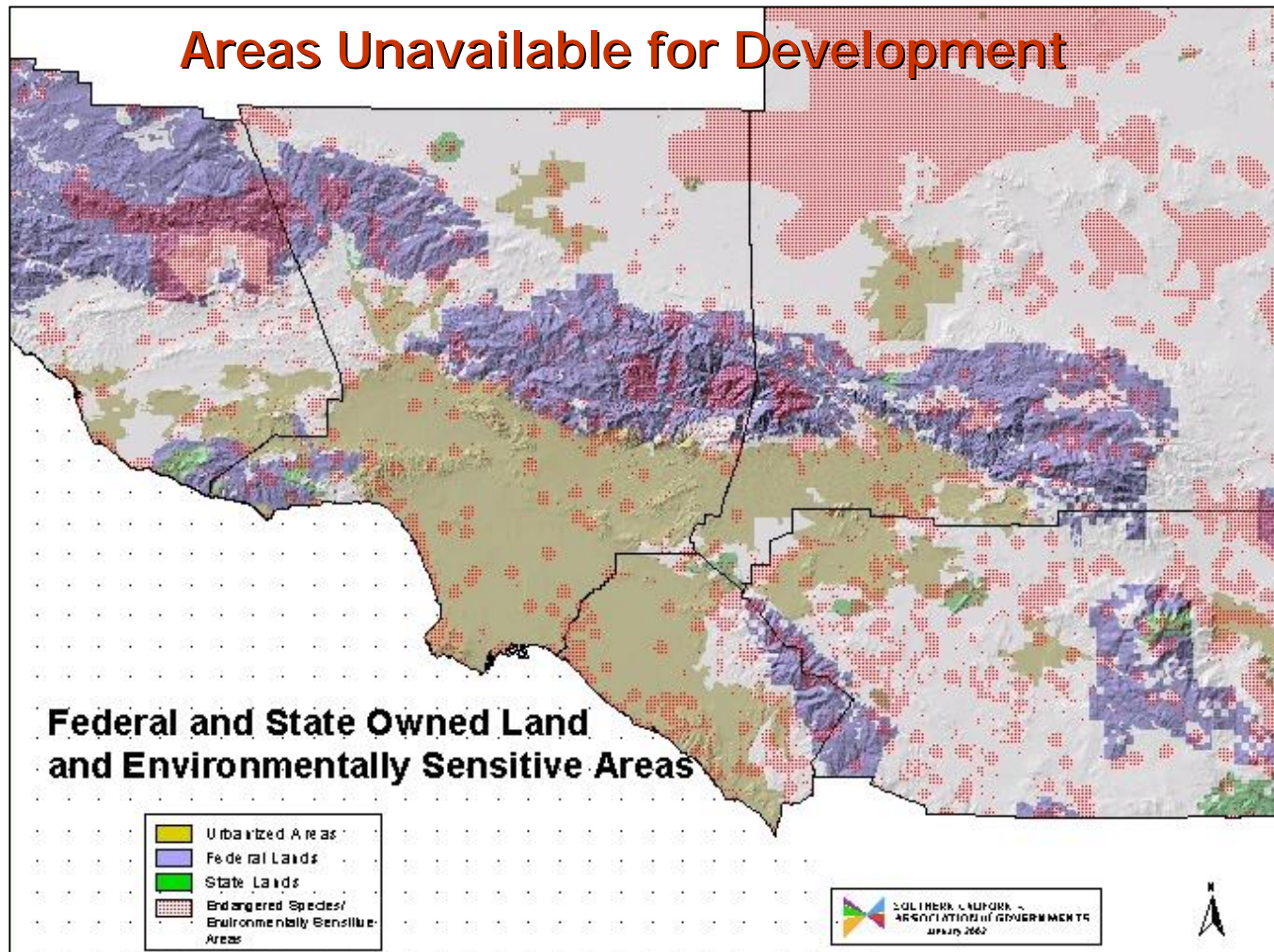
Single Family and Multi-Family Housing Trends in Southern California



Sources: Construction Industry Research Board
& SCAG RTP Trend Projection

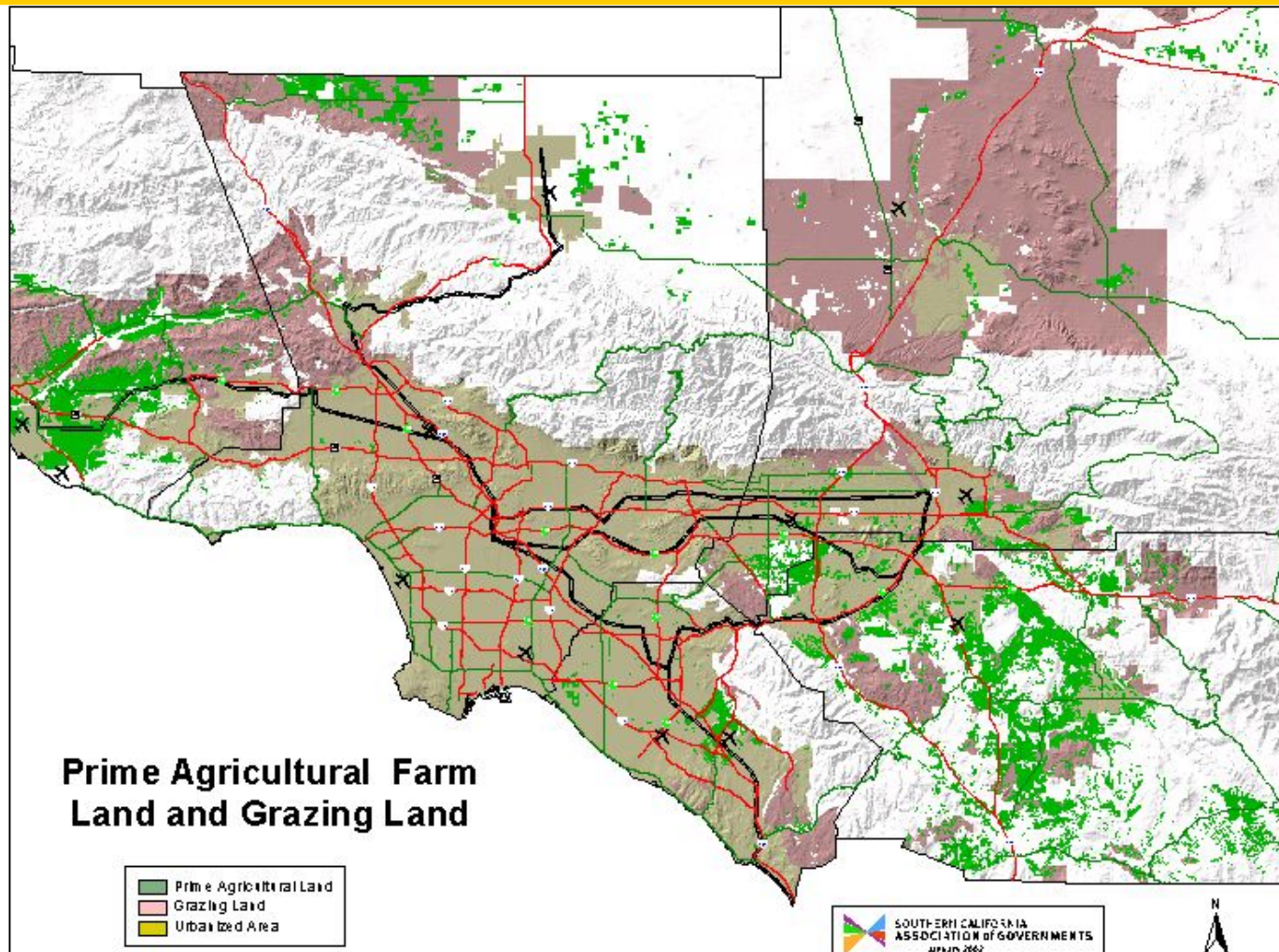


Where will People Live and What Type of Housing will They Demand?



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Prime Areas for Single Family Housing Development



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Future Housing Capacity and SOAR Initiatives



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Transit Villages and Urban Infill can Support Multi-Family Development

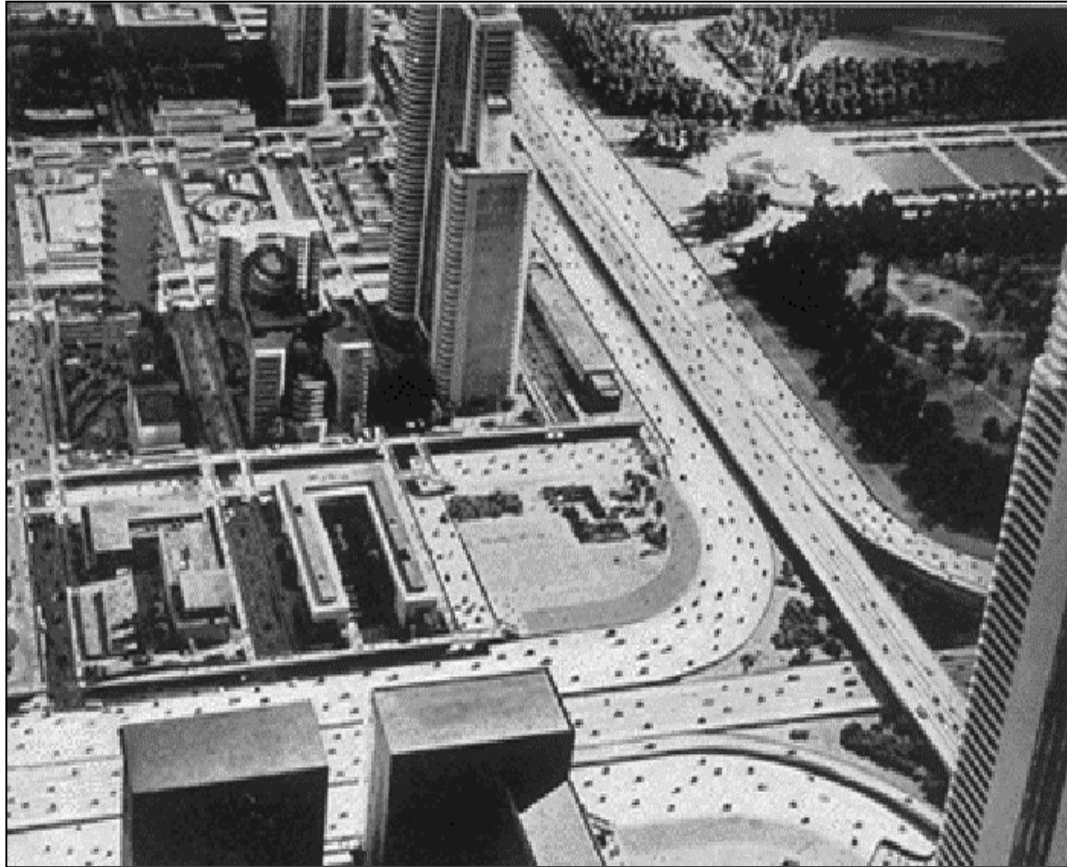


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What Will Be The Housing Demand Preferences in the Future?

- Will Baby Boomers age in place? What are their next moves?
- Where will young Hispanics and others in the workforce seek apartments and starter homes in our supply constrained, high priced housing markets?
- Will immigrants continue to cram into crowded quarters as they come to the region for jobs?
- Are mixed use developments an emerging trend driven by new lifestyle demands of empty-nest boomers in their mid 50s?
- Will the different lifestyle and housing needs of aging Baby Boomers and young Hispanics shape development patterns and affect voting decisions on land use issues?
- How do we assure social equity goal achievement and a healthy economic structure for the region?

Envisioning Future Growth in a Post-Sprawl Era



1937 General Motors
Futurama Exhibit

SCAG Taps
Fregonese
Calthorpe
Associates to
Lead the
Growth
Visioning
Process for the
SCAG Region in
August, 2002



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Thank You

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Norma Edith García
Frank Wen

Visit Us on the Web at:

<http://www.scag.ca.gov/housing>

